

Owner-Operators – Are You a Lessor or a Common/Contract Carrier?

LESSOR

Control and use of the vehicle is determined by the lessee AND the vehicle is leased 100% of the time (no other use). In this situation, the following are common:

- The lessee has the agreement with the shipper to transport the product;
- The lessee's license plates are on the vehicle;
- The lessee's federally-required USDOT or MC operating authority number is placed on the vehicle;
- The lessee's name is on the vehicle; and
- The lessor operates under the lessee's federal or Nebraska PCS operating authority – if required.

ALL lessors must...

- obtain a Nebraska Sales Tax Permit by filing a [Form 20, Nebraska Tax Application](#).
- collect sales tax from their lessees, UNLESS vehicles are leased to a common or contract carrier that has given the lessor a **properly completed** [Form 13, Nebraska Resale and Exempt Sale Certificate](#), Section B, Category 4.
- file a [Form 10, Nebraska and Local Sales and Use Tax Return](#). This return MUST be filed by the due date, whether or not there is tax due.

Tax-exempt Purchases. You may purchase the vehicle and any repair or replacement parts for the leased vehicle tax-exempt. When making tax-exempt purchases of repair and replacement parts, you must give a properly-completed Form 13, Section A, to the Nebraska seller. Additional tax-exempt purchases are listed in the [Leased Motor Vehicle](#) information guide and in Sales and Use Tax [Regulation 1-019, Rental or Lease of Vehicles](#).

COMMON/CONTRACT CARRIER

The vehicle is used more than 50% of the time to transport the goods of others, or passengers, for hire. In this situation, the following are common:

- You obtain your own loads to transport the goods of others for hire;
- Your license plates are on the vehicle;
- Your federally-required USDOT or MC operating authority number is placed on the vehicle;
- Your name is on the vehicle; and
- You hold your own federal or Nebraska PSC authority – if required.

All Common/Contract Carriers must...

- obtain a Nebraska Common/Contract Carrier Exemption Certificate by filing a [Form 5, Nebraska Exemption Application for Common or Contract Carrier's Sales and Use Tax](#).
- renew this certificate every five years. The Department will send you a renewal notice.

Tax-exempt Purchases. You may purchase the vehicle, any repair or replacement parts, and accessories for the vehicle tax-exempt. When making tax-exempt purchases of repair and replacement parts, you must give a Form 13, Nebraska Resale and Exempt Sale Certificate, Section B, Category 4, to the Nebraska seller. Additional tax-exempt purchases are listed in the [Common or Contract Carrier](#) information guide and in Sales and Use Tax [Regulation 1-069, Common and Contract Carriers](#).

Note: A personal vehicle or parts vehicle cannot be purchased tax-exempt using the Nebraska Common or Contract Carrier Exemption Certificate.